duals against whom Income tax amounting to more than Rs. 10 lakhs is outstanding runs into thousands. Collection of this information from field formations spread all over the country will involve tremendous time and efforts which may not be commensurate with the results sought to be achieved.

The Department has given very high priority to the work of reduction of arrear demand and appropriate administrative measures are continuously taken to reduce the arrear demand of income tax. Coercive measures like attachment and sale of property, levy of penalty etc. are also taken by the Department in suitable cases for speedy recovery of arrear demand.

Customs duty collection

143. SHRI T. N. CHATURVEDI:
DR. MURLI MANOHAR JOSHI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the collection of revenue by Customs in 1992-93 has been less than the target fixed, if so, what is the percentage of shortfall;

(b) what are the figures of customs collections for the first three months of this financial year; and

(c) what have been the reasons for the shortfall in customs collection and what steps are being taken to remedy the situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) The estimated revenue collection of customs duties for the year 1992-93 is less than the Revised Budget Estimate for the said year by 6.6 per cent.

(b) and (c) During the first three months of the current financial year, the estimated revenue collection of customs duties is about Rs. 4800 crores. At this stage, it is not possible to indicate whether there will be any shortfall in customs revenue. All possible steps are, however, being taken to maximise the collection.

स्टेट बैंक आफ इंदौर के शेयर धारकों द्वारा दिया गया अभ्यावेदन

144. **श्री राम नरेश यादव :** क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या स्टेट बैंक आफ इन्दौर के केन्द्रीय कार्यालय के अध्यक्ष को गत माह आयोजित 32वीं वार्षिक बैठक में उक्त बैंक के शेयरधारकों की ओर से 30 पृष्ठ का एक अभियोग पत्र प्राप्त हुआ था, उन्होंने खरबों रुपये के घोटाले की केन्द्रीय जांच ब्यूरो द्वारा जांच कराये जाने की मांग की है ;

(ख) यदि हां, तो क्या स्टेट बैंक आफ इन्दौर के केन्द्रीय कार्यालय ने इस रिपोर्ट के आधार पर कोई जांच कराई है; यदि नहीं तो इसके क्या कारण हैं ;

(ग) जनवरी 1993 से आज तक इस बैंक के स्टाफ से संबंधित मामलों के विषय में कर्मचारियों की ओर से प्राप्त अभ्यावेदनों और संसद सदस्यों की ओर से प्राप्त पत्रों की कुल संख्या कितनी-कितनी है; और

(घ) क्या स्टाफ से संबंधित लंबित मामलों के बारे में कोई जांच की गई है; यदि नहीं तो इसके क्या कारण हैं ?

वित्त मंत्रालय में राज्य मंत्री तथा संसदीय कार्य मंत्रालय में राज्य मंत्री (डा० अबरार अहमद) : (क) से (घ) सूचना एकत्र की जा रही है और सभा पटल पर रख दी जाएगी।

Submission of reports by the Jankiraman Committee

145. SHRI KAMAL MORARKA: Will the Minister of FINANCE be pleased to state:

(a) what is the number of reports presented so far by the Jankiraman Committee on the securities transactions of banks and financial institutions;

(b) what are the main findings of these reports; and

(c) what are the details of action taken by the RBI on these reports?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI ABRAR AHMED): (a) The Jankiraman Committee appointed by the Reserve Bank of India to enquire into the securities transactions of the banks and financial institutions had submitted six reports.

(b) The findings of the Jankiraman Committee are contained in Chapter IV of the Committee's Sixth and final report which in brief are given in the enclosed Statement-I (*See* below)

(c) Action taken on these reports are given in the enclosed Statement-II) (See below).

Statement-I

Findings of Janakiraman Committee (in Brief):

The Committee has found that the Banks circumvented the RBI guidelines, mainly those relating to PMS, ready forward transactions and use of Banker's Receipts (BRs) through varioust innovative methods. In handling of funds collected under PMS and similar schemes various known as Corporate Cash Deployment Scheme (CCDS) or Corporate Investment Advisory Service (CIAS), the banks violated RBI guidelines for PMS transactions by giving assured returns and siphoning off excess earnings to their own accounts. RBI's prohibition on Ready Forward Transactions in non-SLR securities and with non-bank counterparties were violated on large scale by banks while dealing on their own as well as PMS clients' accounts and these transactions were used to lend funds to brokers. The ready forward and double ready forward transactions which formed a large proportion of banks' transactions were possibly designed to enable the brokers to carry forward the positions built by them in anticipation of coupon hike on Government securities till the hikes materialised. In most cases of ready forward transactions the committee found no evidence to show actual delivery of securities or SGL transfer forms raising doubts whether the underlying securities existed at all. The guidelines for the issue of BRs laid down by the RBI and IBA were observed more in breach as BRs were almost used as negotiable instruments and third party BRs were accepted. There was clear evidence of issue of BRs against BRs at the request of brokers. Moreover BRs were indiscriminately used without security backing which provided an opportunity to brokers to avail of funds of increasingly larger amounts. The Committee found close nexus between certain banks and certain brokers which enabled the brokers to have unauthorised access to funds as also to undertake unauthorised transactions to their advantage. Certain banks acted as routing banks for certain brokers and afforded the facility of credit of bankers' cheques drawn in their favour to brokers' accounts. Brokers were increasingly dealing on their own account and banks were carrying their "positions" in return for guaranteed returns on funds outlay in these arrangements. A number of artificial transactions or transactions at artificial rates were recorded by banks and in most cases without the actual transfer of securities to account for differences with brokers or PMS clients as also to adjust holding rates for deriving benefit for SLR computation. Some of the banks held large oversold positions which was specifically prohibited by RBI.

As regards banks, the factors responsible were weak internal control set up and attitudinal approach of the managements which chose not to question their treasury departments which were making increasingly larger profits. The RBI's inability stemmed from lack of awareness or appreciation of the all pervasive nature of the malady, absence of a good market intelligence system and over-

stretched resources due to a large number of branches of banks required to be inspected. However, sufficient importance was not given to the treasury functions during inspections as major emphasis was on advances portfolio. The inspectioning of individual banks were carried out in isolation and the inspecting officers lacked specialised knowledge of the sophisticated EDP systems used by foreign banks. Commenting on the role of external auditors, the Committee has observed, among other things, that the auditors do not examine all the transactions and they did not perceive it as part of their duty to examine the violations of RBI guidelines. The committee has observed that the irregularities could possibly have been detected earlier if there had been greater coordination between the different controlling agencies.

Statement-II

Action taken on the Janakiraman Committee Reports

The Reserve Bank of India and the Govt. had taken a number of steps soon after the irregularities in the securities transactions of banks surfaced with a view to unearthing the entire ramifications of the episode to enable the authority to take appropriate remedial measures. The action taken by the Reserve Bank of India were issuance of special guidelines advising banks to put in place adequate internal control, audit systems accounting standards and segregate dealing room, back office and accounting functions, prohibition on ready forward transactions in all securities except Treasury Bills, partial computerisation of the SGL operations of the PDO at Bombay, setting up of a committee under the Chairmanship of Shri S. S. Nadkarni, Chairman of IDBI to evolve improved procedures for conducting transactions in PSU Bonds and units, modification in the inspection system providing for more detailed annual financial inspection of banks and appointing of experienced firms of Chartered Accountants to verify the securities transactions of some banks. The Government of India, had asked the Central Bureau of Investigations (CBI) to investigate the irregularities and had set up a Special Court and had promulgated an ordinance attaching the properties of all persons involved in malpractices and placing them with the Custodian appointed by the Govt.

Following further measures have been taken:

(I) The banks have been asked to undertake an immediate review of the adequacy of their internal Audit Departments.

(II) A ceilling of 5 per cent of total transactions put through the brokers has to be placed on the transactions through each approved broker.

(III) Banks have been advised to place in position adequate system for undertaking security transactions so that irregularities of the nature pointed out by the Janakiraman Committee do not recur.

(IV) Decisions on some of the recommendaions of the Nadkarni Committee have been conveyed to banks. Some of the recommendations are still under examination of RBI.

(V) Regional offices of the D.B.O.D. would look into compliance aspects vis-a-vis major and important instructions/directives of the Reserve Bank of India during the course of inspections and will also monitor compliance certificates by banks at prescribed periodicity.

(VI) The SGL operations in PDO, Bombay, New Delhi and Madras have been computerised.

(VII) The statutory auditors will be required to verify compliance by banks of important/major RBI instructions and directives after the audit of annual accounts.

(VIII) The banks whose transactions in securities have been commented upon in the Janakiraman Committee reports have been advised to fix inv

vidual responsibility and initiate departmental action against the concerned officials. They have also been advised to take immediate steps to refer the matter to the CBI for criminal prosecution wherever warranted.

(IX) Retired Senior Govt. Officials have been appointed as special officers to fix responsibility of the top managements in some banks.

Banks' comments on the observations made in the Janakiraman Committee Reports and Special Audit Reports are being examined and punitive action against erring banks is contemplated including levying of penalty, prohibition on taking up fresh PMS and similar schemes in future and winding up of subsidiaries with large problem exposures. The recommendations contained in the Final (Sixth) Report are currently under examination of RBI.

कोयला व्यापारियों के यहां मारे गये आयकर छापे

146. **श्री अजीत जोगी :**
चौधरी हरि सिंह :

क्या **वित्त** मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या आयकर विभाग ने जनवरी और फरवरी, 1992 के दौरान तथा उसके पश्चात् काले धन का पता लगाने के लिए मध्य प्रदेश, बिहार तथा पश्चिम बंगाल के कोयला व्यापारियों के यहां छापे मारे थे ;

(ख) यदि हां, तो किन-किन प्रतिष्ठानों पर छापे मारे गए ; और

(ग) इन छापों के दौरान जब्त किए गए कालेधन और आपत्तिजनक दस्तावेजों का ब्यौरा क्या है ?

वित्त मंत्रालय में राज्य मंत्री (श्री एम०बी० चन्द्रशेखर मूर्ति) : (क) जी, हां

(ख) तथा (ग) जनवरी, 1992 से जून, 1993 तक की अवधि के दौरान तलाशी की इन कार्यवाहियों के दौरान जिन व्यक्तियों की तलाशी ली गई उनके नाम तथा अभिगृहीत की गई लेखा-बाह्य परिसंपत्तियों के ब्यौरे विवरण में दिए गए हैं। (नीचे देखिए) जिन परिसरों की तलाशी ली गई, उनसे अपराध-आरोपणीय अनेक दस्तावेज भी अभिगृहीत किए गये थे ।

विवरण

छापों के दौरान जब्त किये गये काले धन तथा अन्य परिसंपत्तियों का ब्यौरा

क्र०सं०	राज्य	पार्टी का नाम	अभिगृहीत की गई परिसंपत्तियों का मूल्य			
			नकदी	जेवर जवाहरात	अन्य परिसंपत्तियां	कुल
			(लाख रुपयों में)			
1	2		3	4	5	6
1.	बिहार	सावर मल पोद्दार समूह, धनबाद ।	—	1.39	0.84	2.23
2.	यथोक्त	मै० हाजी अब्दुल सलाम मलिक, धनबाद ।	—	—	34.63	34.63